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DEPT FOR E, P, EB, EAP/J, EAP/P, EAP/PD, PA; WHITE HOUSE/NSC/NEC; JUSTICE FOR STU CHEMTOB IN ANTI-TRUST DIVISION; TREASURY/OASIA/IMI/JAPAN; DEPT PASS USTR/PUBLIC AFFAIRS OFFICE; SECDEF FOR JCS-J-5/JAPAN, DASD/ISA/EAPR/JAPAN; DEPT PASS ELECTRONICALLY TO USDA FAS/ITP FOR SCHROETER; PACOM HONOLULU FOR PUBLIC DIPLOMACY ADVISOR; CINCPAC FLT/PA/ COMNAVFORJAPAN/PA.

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1) Prime Minister's Official Residence (Kantei)

Prime Minister's schedule, November 11

NIKKEI (Page 2) (Full) November 12, 2009

08:54 Arrived at the Prime Minister's Official Residence (Kantei). 09:12 Met Wang Jiarui, head of the International Department of the Chinese Communist Party's Central committee.
10:01 Met U.S. Treasury Secretary Geithner. Received 2008 account

report from Board of Audit President Nishimura. Met Senior Vice

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Foreign Minister Takemasa, Administrative Vice Foreign Minister Yabunaka, and Deputy Foreign Minister for Foreign Affairs Sasae. 11:58 Attended national convention of the National Association of Town and Village Assemblies held at NHK Hall.

12:53 Arrived at Kantei.

14:06 Met Takemasa, Senior Vice METI Minister Mashiko, and Sasae. 15:26 Met Mashiko and Natural Resources and Energy Director General Ishida.

16:07 Met Lower House Foreign Affairs Committee Chairman Suzuki, followed by Japan Sake Brewers Association Chairman Akio Tatsuuma, with Lower House member Koichiro Genba.

17:00 Attended government-DPJ executive meeting.

18:11 Met Yabunaka.

19:55 Met Environment Minister Ozawa and Deputy Chief Cabinet Secretary Matsuno, joined by Special Advisor to the Prime Minister Nakayama, at his official residence.

2) Japan, U.S. agree to establish cabinet-level working group on Futenma

YOMIURI (Page 2) (Full) November 11, 2009

The governments of Japan and the United States agreed on Nov. 10 to establish a cabinet-level working group of the foreign and defense ministers of the two countries on the relocation of the U.S. Marine Corps' Futenma Air Station in Okinawa Prefecture. The agreement was reached in line with the intention of Foreign Minister Katsuya Okada. Okada held talks with U.S. Ambassador to Japan John Roos in the Diet building on the same day, and he announced the agreement at a press conference in the evening. Ambassador Roos will attend meetings as a proxy for the secretary of state and secretary of defense as necessary.

The working group will discuss the Futenma replacement facility in a wide-ranging manner, including the existing plan to relocate the air station to the coastal area of Camp Schwab and Okada's idea of integrating Futenma with Kadena Air Base. In his talks with Okada on Nov. 10, Ambassador Roos said to the Japanese foreign minister, "This does not constitute a shift from our previous position."

3) Foreign Minister Okada, Secretary of State Clinton agree on reaching conclusion on Futenma issue at early date

NIKKEI (Page 2) (Full) November 12, 2009

Toshihiro Tonishi in Singapore

Foreign Minister Katsuya Okada and U.S. Secretary of State Hillary Clinton met in Singapore on Nov. 11 and agreed to create a new ministerial level working group that will work for an early conclusion on the issue of relocation of the U.S. forces' Futenma Air Station. They did not go into a detailed discussion on this issue to avoid bringing the points of contention into the open. The meeting gave priority to setting the stage for the Japan-U.S. summit meeting on Nov. 13, but there is a possibility that the impact of this volatile issue may continue to spread behind the scenes.

Okada indicated at the meeting that the Futenma issue "will be resolved as soon as possible" and that efforts will be made to reach a decision within the working group. Clinton said that, "I can

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understand that there is a need (for the Japanese side) to analyze (the base issues) after the change of administration," expressing a certain degree of understanding for the Japanese side's desire to reexamine the existing bilateral agreement.

Okada did not bring up the idea of merging the Futenma base with Kadena Air Base, which the U.S. side opposes, at this meeting. Clinton did not broach this subject either. However, the U.S. side's impatience to resolve the issue at an early date could still be gleaned from the meeting.

Clinton did not forget to prod Japan with a warning about the Futenma issue. She said: "It is undesirable for a situation of uncertainty to continue. It is important to reach a conclusion as soon as possible."

The U.S. government takes the position that "there can be no relocation of U.S. Marines (from Okinawa) to Guam without Futenma relocation." (Secretary of Defense Robert Gates) The U.S. Congress is in the process of cutting back allocations for Guam relocation in its budget formulation for year end. So it is possible that the U.S. side may demand that Japan resolve this issue before the end of 12009.

Meanwhile, Okada also requested U.S. cooperation in dealing with the hit-and-run incident in Yomitan Village, Okinawa, in which a U.S. soldier has been detained. Clinton expressed regret for the death of the victim and stressed that the U.S. will cooperate fully.

The two foreign ministers used Afghan aid and the North Korea issue to play up bilateral cooperation in this meeting. Commenting on the Japanese government's plan to offer a maximum of 5 billion dollars in aid for Afghan reconstruction, Clinton said, "It is wonderful that Japan is focusing on civilian aid." On the North Korea issue, Clinton explained that U.S. negotiator Special Representative on North Korea Policy Stephen Bosworth will visit the DPRK shortly. The two ministers agreed to cooperate on working toward the resumption of the Six-Party Talks.

On the democratization of Myanmar (Burma), Okada said, "Japan and the U.S. should work together to ensure that all citizens are able to participate in the general election scheduled for next year." The two ministers confirmed that both countries will cooperate to promote democratization.

4) Okinawa says "No" to construction of new military base; Okinawa prefectural assembly makes appeal to government, U.S. Embassy $\left(\frac{1}{2} \right)$

AKAHATA (Page 1) (Excerpts) November 11, 2009

"We don't need any more bases in Okinawa. We oppose the building of a new U.S. military base in Henoko or constructing a replacement (for the Marine Corps' Futenma Air Station) within Okinawa." A rally was held by the Okinawa Prefectural Assembly (on Nov. 8) at which 21,000 people gathered. Representatives of the assembly's executive committee visited a government office and the U.S. Embassy yesterday and demanded the immediate closure of the Futenma Air Base and the return of the site to Japan. They also handed a letter of protest to Kanagawa Governor Shigefumi Matsuzawa, who earlier said: "It is impossible to relocate the facility outside the prefecture or the nation."

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In the U.S. Embassy, Ginowan Mayor Yoichi Iha emphasized: "Even in light of the United States' safety standards, the Futenma base should be immediately closed and removed." In response to the U.S. side's comment, "(The Japan-U.S. agreement) is the best choice," House of Representatives member Seiken Akamine of the Japanese Communist Party stressed: "Although you say the Japan-U.S. agreement is the best choice, the Okinawan people's patience has reached its limit. The consensus of the Okinawan people is that no more bases should be allowed to be constructed in the prefecture."

5) Hatoyama shows unusual degree of consideration toward Okinawa over hit-and-run accident, fearing negative impact on Japan-U.S. summit

MAINICHI (Page 2) (Excerpts) November 12, 2009

In a fatal hit-and-run case in Yomitan Village, Okinawa Prefecture, the U.S. military has taken the U.S. service member suspected of having been involved in the accident into its custody. In response to this case, Prime Minister Yukio Hatoyama is showing an unusual degree of consideration toward Okinawa as seen in his reference to the possibility that he might ask the U.S. to hand the suspect over to the Japanese side prior to indictment. Hatoyama is apparently aiming to prevent the Japan-U.S. Status of Forces Agreement from developing into a political issue ahead of the Japan-U.S. summit meeting set for Nov. 13 in order to ensure the meeting's success.

"Please deal with the accident properly before President Obama visits Japan. Otherwise, I will have to refer to the case during my meeting with the President." These were the instructions Hatoyama gave to a Foreign Ministry official after learning that a U.S. service member might have been involved in the accident. Meanwhile, he told reporters: "We would like the U.S. military to hand the suspect over to Japan swiftly, even prior to indictment.

6)Papers on hit-and-run case by alleged U.S. soldier to be sent to prosecutors

MAINICHI (Page 31) (Full) November 12, 2009

With regard to the hit-and-run accident resulting in the death of a man of Yomitan village, Okinawa Prefecture, the Okinawa prefectural police intend to send to prosecutors papers on a male soldier in his 20s attached to the U.S. Army's Torii Station on suspicion of manslaughter and violation of the traffic law. The soldier brought an automobile related to the case to a garage.

On the afternoon of Nov. 11, the police questioned the soldier about the accident on a voluntary basis. The soldier admitted that at the time of the accident he was driving through the site where the man's body was found, but he reportedly made an ambiguous statement regarding whether his vehicle struck the man.

The police have judged that there is no risk that the U.S. Army soldier will destroy evidence and abscond, because the U.S. Army has cooperated with them by allowing him to answer their questions. The police intend to continue to question him on a voluntary basis. If the papers are sent to prosecutors, there is only a very small possibility that the U.S. Army soldier will be transferred to the

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local authorities before indictment.

7) Prime Minister to ask U.S. for handover of custody of U.S. service member involved in hit-and-run accident

MAINICHI (Page 2) (Excerpts) November 11, 2009

Ai Yokota

A U.S. service member is being detained by the U.S. military in connection with a fatal hit-and-run accident in the village of Yomitan, Okinawa Prefecture. Prime Minister Yukio Hatoyama, meeting the press corps at the Prime Minister's Official Residence (Kantei) on the evening of Nov. 10, expressed a plan to ask the U.S. side for the pre-indictment handover of the custody of the suspect, something that is not specified in the Japan-U.S. Status of Forces Agreement. The Prime Minister said: "I want (the U.S. side) to handover custody and make efforts for the settlement of the matter."

In this connection, Foreign Minister Katsuya Okada met with U.S. Ambassador to Japan John Roos at the Kantei on Nov. 10 and asked for cooperation in the investigation. "We will totally cooperate," Ambassador Roos responded. Col. James Woodard, commander of the U.S. Army in Okinawa, said to Yomitan Mayor Keizo Yasuda on the same day: "We will make maximum efforts for the handover of custody if there is a request from the Japanese side."

8) Half of Kadena-based F-15 fighters to be redeployed to Misawa

SANKEI (Page 1) (Abridged) November 11, 2009

The U.S. government has sounded out Japan on a plan to redeploy half of the F-15 fighter jets deployed to the U.S. Kadena Air Base, which straddles the town of Kadena and other municipalities in Okinawa Prefecture, to the U.S. Misawa Air Base in the city of Misawa, Aomori Prefecture, sources revealed yesterday. The Misawa base currently deploys a total of about 40 F-16 fighter jets, which will be all withdrawn to bases back in the United States. The plan is being studied for a "Quadrennial Defense Review" report to be released by the U.S. government in February next year. It could have a serious impact on the security environment of the Far East.

The F-15 redeployment plan was unveiled by sources connected to Japan-U.S. relations. The Kadena base will reduce its current deployment of 48 F-15 fighters to 24 and redeploy the remaining 24 F-15 fighters to the Misawa base. This April, the U.S. government also sounded out Japan on a plan to scale back on the deployment of F-15 fighters to the Kadena base. At the time, however, the Aso cabinet, a coalition government of the Liberal Democratic Party and the New Komeito, expressed reservations about the proposal. The plan has since been put on hold.

This time around, the U.S. government came up with a plan to redeploy half of the Kadena-based F-15 fighters to the Misawa base in order to address concerns over the removal of all U.S. fighter planes from the Misawa base. However, the capabilities of the two U.S. airbases, which have been keeping an eye on North Korea, will be cut almost in half. The Hatoyama cabinet, a tripartite coalition government of the Democratic Party of Japan, Social Democratic Party, and People's New Party, has been insisting on the necessity

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of reviewing the presence of U.S. military bases in Japan. Given this fact, the Hatoyama government is highly likely to accept this proposal in the end.

Some government officials presume that cutting number of Kadena-based F-15 fighter jets in half would serve to back up Foreign Minister Katsuya Okada's advocacy of integrating the heliport functions of the U.S. Marine Corps' Futenma Air Station in the city of Ginowan, Okinawa Prefecture, into the Kadena base.

However, even if the Kadena-based F-15s are reduced, it will be difficult to operate Air Force fighter jets and Marine Corps choppers concurrently because their flying altitudes differ. Taking this into account, the U.S. military will presumably not accept the

idea of relocating the Futenma-based helicopters to the Kadena base.

As far as the F-15 is concerned, there would not be much difference in flight distances from the Misawa and Kadena airbases to North Korea. However, China has been building up its naval forces for southward power projection. The U.S. military's readiness against China's naval buildup will decline substantially, so the U.S. government will likely propose sharing the Kadena base with the Air Self-Defense Force's F-15 fighters.

9) Government decides to put off mobilizing SDF, limit aid to public welfare due to lack of discussion

YOMIURI (Page 2) (Excerpts) November 11, 2009

The government has decided to disburse 5 billion dollars, or 450 billion yen, for Afghanistan over five years starting this year. On the aid package, the government decided yesterday to limit its assistance to the public welfare area and to put off mobilizing Self-Defense Force (SDF) troops to that nation. Behind this decision is a lack of discussion on a dispatch of SDF personnel overseas in the Democratic Party of Japan. In addition, the Social Democratic Party, a junior ruling party, has been strongly opposed to dispatching SDF personnel overseas.

Ahead of U.S. President Barack Obama's visit to Japan on Nov. 13, the government hurriedly compiled its assistance measures for Afghanistan under pressure to present during the Japan-U.S. summit a comprehensive package of international contribution measures to replace the ongoing Maritime Self-Defense Force's refueling mission in the Indian Ocean, which the government plans to halt in January. The amount of 5 billion dollars over five years is less than the 32.1 billion dollars the U.S. has already pledged, but it is the second largest amount, exceeding the amount pledged by Britain.

It is still uncertain, though, whether the increase in financial aid will lead to expanding manpower contributions in Afghanistan. Given the deteriorating security situation in that nation including terrorist attacks targeting foreigners, the government now finds it difficult to dispatch civilians there. The Japan International Cooperation Agency (JICA) had deployed about 30 staff members in Afghanistan in August but has reduced the number to nine and is currently waiting for public order to be restored.

10) Ginowan mayor: Okinawan people oppose Futenma relocation within Okinawa

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NIKKEI (Page 2) (Full) November 12, 2009

Yoichi Iha, mayor of Ginowan, Okinawa Prefecture, called on Deputy Chief Cabinet Secretary Yorihisa Matsuno at the Prime Minister's Official Residence (Kantei) yesterday. In connection with the issue of relocating the U.S. Marine Corps' Futenma Air Station, situated in Ginowan, Iha said to Matsuno, "The Okinawan people are opposed to the relocation of the Futenma base within the prefecture. We want the government to secure safety by closing (the base)."

11) Introduction of foreign residents' suffrage bill postponed to next regular Diet session $\,$

NIKKEI (Page 2) (Full) November 12, 2009

The government and the ruling Democratic Party of Japan yesterday decided to entrust DPJ Secretary General Ichiro Ozawa with the handling of a bill to grant local suffrage to permanent foreign residents. Ozawa's view is that it is desirable that the legislation be submitted to the Diet as a government-initiated bill. Therefore, the outlook is that the introduction of the bill will be put on the back burner until the next regular session of the Diet.

12) Japan-U.S. finance ministerial: Finance minister supports strong dollar: Treasury secretary welcomes Japan's effort to expand domestic demand

NIKKEI (Page 1) (Full) November 11, 2009

Finance minister Hirohisa Fujii on the evening of Nov. 10 met in Tokyo with U.S. Secretary of the Treasury Geithner, who is now visiting Japan for the first time after taking office. Concerning the continuing weakness of the dollar on the foreign exchange market, Fujii indicated his stance of supporting the global economy based on the U.S. dollar. They vowed that Japan and the U.S. should cooperate to turn around the global economy, which is beginning to climb out of the financial crisis. Geithner expressed his intention to welcome the Hatoyama administration's stance of attaching importance to growth led by domestic demand

Fujii during the meeting said, "I think highly of your seeking a strong dollar." Geithner nodded his head. Emerging from the meeting, Fujii told the press corps, "(The global economy) is based on the dollar economy. What is most important for international cooperation is that Japan and the U.S. be on good terms with each other." He thus revealed that the two countries reaffirmed a policy of close cooperation on the economic front.

The finance ministers of the two countries have also agreed to correct the imbalance of the global economy, meaning the over reliance of the global economy on U.S. consumption. They have also reportedly vowed that the U.S. raise its savings' rate and Japan switch to an economy driven by domestic demand. According to a senior U.S. Treasury Department official, Geithner stated that he welcomes the Hatoyama Administration's stressing the importance of growth through domestic expansion.

It was agreed at the meeting of finance ministers and central bank

governors for the Group of Twenty nations (G-20) held this month that each participating country set a mid-term goal, such as a growth goal, so as to correct the imbalance of the global economy. The challenge is to end the global economy's excessive reliance on U.S. consumption and for nations with trade surpluses, such as China and Japan, to expand domestic demand.

13) PM Hatoyama stresses domestic demand-driven economic growth at meeting with U.S. Treasury Secretary Geithner

NIKKEI (Page 5) (Full) November 12, 2009

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At his meeting with U.S. Secretary of the Treasury Timothy Geithner on Nov. 11, Prime Minister Yukio Hatoyama said: "Growth centered on domestic demand is important. It is necessary to take the required fiscal measures." He added: "At the same time, fiscal discipline is also necessary. The government as a whole is working to eliminate wasteful spending." Geithner replied that "the Democratic Party of Japan's policies to expand domestic demand are excellent."

Bank of Japan (BOJ) Governor Masaaki Shirakawa also met Geithner on the same day. They exchanged views on the world economy, trends in the financial market, and other issues.

14) Japan, U.S. expected to agree at summit to take joint steps in curbing global warming

NIKKEI (Page 1) (Excerpts) November 12, 2009

Prime Minister Yukio Hatoyama and U.S. President Barack Obama will likely agree at their summit to be held on Nov. 13 to cooperate with each other on environmental and energy technologies. The two countries plan to launch joint research on "smart grid" technology, the next generation power transmission network, in Hawaii and Okinawa Prefecture early next year. They will aim to make the technology they have developed an international standard after test

demonstrations. Both countries are expected to come up with broad-based collaboration on measures to curb global warming, including carbon dioxide capture and storage and the promotion of nuclear power generation.

The focus of the Nov. 13 summit will be on how to strengthen the bilateral alliance. Since the rift between the views of the two countries over the relocation of the U.S. Marine Corps' Futenma Air Station remains unresolved, it will be difficult for them to reach a ground-breaking agreement on the security area. As such, they want to make cooperation on the environment and energy fields one of the showcases of the summit.

15) Emperor holds press conference ahead of 20th anniversary of his accession

YOMIURI (Page 1) (Full) November 12, 2009

The Emperor, along with the Empress, held a press conference prior to a government-sponsored ceremony today commemorating the 20th anniversary of his accession. Looking back on the last 20 years, the Emperor expressed concern about the people's livelihoods amid the severe economic situation, saying, "I am deeply concerned about the

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people's lives." Asked about the possibility that the declining number of young imperial family members will make stable succession to the Imperial throne difficult in the future, the Emperor indirectly indicated for the first time that he and the Empress are concerned about the matter, replying, "I think your question is accurate."

"I have spend the years thinking about the long history of the emperors and the general public, while exploring how best to function as a symbol of the state," Emperor Akihito, who has become the first emperor to take the throne under the existing Constitution, said about the last 20 years. "I would like to see a society where everyone supports one another. I wish for the peace and security of Japan and the health and happiness of the Japanese people."

On the question of imperial succession, the Emperor emphasized that any matter that concerns the system must be left to Diet discussions. The Emperor also expressed his desire to entrust the next generation with the question of the modalities of the imperial family, saying: "It is important that the views of Crown Prince Naruhito and Prince Akishino who supports the Crown Prince are respected."

ROOS